CHAPTER 319

GOVERNMENT - STATE

HOUSE BILL 16-1362

BY REPRESENTATIVE(S) Young, Pabon, Ryden, Tyler, Winter, Hullinghorst, Fields, Priola; also SENATOR(S) Martinez Humenik, Aguilar, Todd.

AN ACT

CONCERNING THE TRANSFER OF THE FUNCTIONS OF THE LICENSE PLATE AUCTION GROUP TO THE COLORADO DISABILITY FUNDING COMMITTEE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **amend with relocated provisions** part 22 of article 30 of title 24 as follows:

PART 22 LAURA HERSHEY DISABILITY SUPPORT ACT

- **24-30-2201.** Short title. This The short title of this part 22 shall be known and may be cited as is the "Laura Hershey Disability-Benefit DISABILITY Support Act".
- **24-30-2202. Definitions.** As used in this part 22, unless the context otherwise requires:
- (1) "Committee" means the disability-benefit support contract committee COLORADO DISABILITY FUNDING COMMITTEE created in section 24-30-2203.
- (2) "Contract entity" means the entity the committee contracts with to implement sections 24--30--2206 to 24--30--2210.
- (2) (3) "Disability benefits" means cash payments from social security disability insurance under Title II of the federal "Social Security Act", 42 U.S.C. sec. 401 et seq., as amended, cash payments made by the federal government to persons who are aged, blind, or disabled under Title XVI of the federal "Social Security Act", 42

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

- U.S.C. sec. 401 et seq., as amended, and long-term care under the "Colorado Medical Assistance Act", articles 4 to 6 of title 25.5, C.R.S.
- (4) "Fund" means the disability support fund created in section 24-30-2205.5.
- (3) (5) "Nonprofit entity" means an entity incorporated under the "Colorado Revised Nonprofit Corporation Act", articles 121 to 137 of title 7, C.R.S., or a tax-exempt entity under 26 U.S.C. sec. 501 (c) (3) of the federal "Internal Revenue Code of 1986".
- (4) (6) "Recipient" means a person who receives disability benefits or long-term care services.
- (7) "Registration number" means the unique combination of letters and numbers assigned to a vehicle by the department under section 42-3-201, C.R.S., and required to be displayed on the license plate by section 42-3-202, C.R.S.
- (8) "Vehicle" means a vehicle required to be registered pursuant to part 1 of article 3 of title 42, C.R.S.
- 24-30-2203. Colorado disability funding committee. (1) The disability-benefit support contract committee Colorado disability funding committee is hereby created within the department of personnel. The committee consists of thirteen members appointed by the governor. as follows: Of the thirteen members, at LEAST SEVEN MEMBERS MUST BE EITHER A PERSON WITH A DISABILITY, A CARE GIVER OF A PERSON WITH A DISABILITY, OR A PERSON WHO LIVES IN A HOUSEHOLD WITH A PERSON WITH A DISABILITY AND IS MEANINGFULLY INVOLVED IN THE CARE OF A PERSON WITH A DISABILITY. IN MAKING THE APPOINTMENTS, THE GOVERNOR SHALL ENSURE THAT THE COMMITTEE HAS MEMBERS WITH EXPERIENCE IN OR KNOWLEDGE OF BUSINESS AND BUSINESS MANAGEMENT; NONPROFIT ENTITIES AND MANAGING NONPROFIT ENTITIES; ADVOCACY FOR PERSONS WITH DISABILITIES; THE PRACTICE OF MEDICINE; AND THE PRACTICE OF LAW WITH EXPERIENCE WORKING WITH PERSONS WITH DISABILITIES. IN ADDITION TO THE THIRTEEN MEMBERS, THE GOVERNOR'S COUNCIL FOR PERSONS WITH DISABILITIES MAY, IN CONSULTATION WITH THE COMMITTEE, APPOINT A REPRESENTATIVE TO SERVE ON THE COMMITTEE IN AN EX OFFICIO CAPACITY.
- (a) Five members who are persons with disabilities and currently receiving disability benefits or have received application assistance;
- (b) One member of a statewide, cross-disability organization representing persons with disabilities:
- (c) One member who is trained to increase access to disability benefits for persons with disabilities by an organization supported by the United States social security administration;
 - (d) One member who is a medical doctor;

- (e) One member who is a mental health professional;
- (f) One member who is an expert in nonprofit management;
- (g) One member appointed by the executive director of the department of personnel;
 - (h) One member who has experience and expertise in business; and
 - (i) One member who has experience with grant programs.
- (2) Members of the committee serve three-year terms; except that FOUR members appointed under paragraph (a) of subsection (1) of this section AS DETERMINED BY THE GOVERNOR serve an initial term of one year, and FOUR members appointed under paragraphs (b), (c), and (d) of subsection (1) of this section AS DETERMINED BY THE GOVERNOR SERVE an initial term of two years. AFTER THE INITIAL TERMS, EVERY MEMBER SERVES A TERM OF THREE YEARS. THE GOVERNOR SHALL NOT APPOINT A MEMBER FOR MORE THAN TWO CONSECUTIVE TERMS.
- (3) An act of the committee is void unless a majority of the APPOINTED members has voted in favor of the act.
- (4) The committee shall implement section 24-30-2204 THIS PART 22 using the disability-benefit support fund. ereated in section 24-30-2205.
- (4.5) The committee shall implement section 24-30-2204.5 using the disability investigational and pilot support fund created in section 24-30-2205.5.
- (5) The committee is authorized to seek and accept grants or donations from private or public sources for the purposes of this part 22; except that the committee shall not accept a gift, grant, or donation that is subject to conditions that are inconsistent with this part 22 or part 13 of article 75 of this title regarding the status of grants and donations made to state agencies. The committee shall transmit the moneys to the disability-benefit support fund.
 - (6) The committee has the following duties and powers:
- (a) To sue and be sued and otherwise assert or defend the committee's legal interests;
 - (b) To prepare and sign contracts;
- (c) To have and exercise all rights and powers necessary or incidental to, or implied from, the specific powers granted in this part 22; and
 - (d) To fix the time and place at which meetings may be held.
- (7) (a) The committee may hire employees or obtain the services of professional advisors or contract with employees to handle the conduct of all meetings, carry out its administrative functions for meetings and committee business, or handle the committee's auctions.

- (b) The department of Personnel May hire employees to Handle the administrative aspects of supporting the committee resulting from the committee being within the department of Personnel.
 - (8) The attorney general is the legal counsel for the committee.
- (9) COMMITTEE MEMBERS DO NOT RECEIVE COMPENSATION FOR PERFORMING OFFICIAL DUTIES OF THE COMMITTEE BUT MAY RECEIVE A PER DIEM OR REIMBURSEMENT FOR TRAVEL AND OTHER REASONABLE AND NECESSARY EXPENSES FOR PERFORMING OFFICIAL DUTIES OF THE COMMITTEE. THE PER DIEM OR REIMBURSEMENT IS PAID FROM THE FUND.
- 24-30-2204. Program to assist persons to obtain disability benefits repeal. (1) Within six months after the first transfer to the disability-benefit support fund from the registration number fund created in section 42-1-407, C.R.S. When ADEQUATE FUNDING IS AVAILABLE, the committee shall invite nonprofit entities to submit a proposal for a program to aid persons with disabilities in accessing disability benefits. To qualify, the nonprofit organization must be based in Colorado and governed by a board that:
- (a) Is composed of persons with a demonstrated commitment to improving the lives of recipients with disabilities;
- (b) Contains members who understand a range of significant disabilities, including physical and mental; and
 - (c) Contains a majority of either:
 - (I) Recipients with disabilities; or
- (II) Family members of recipients with disabilities who have experience in representing the interests of a person with a disability.
- (2) (a) (I) The committee shall review the proposed programs and shall award a contract to the nonprofit entity that best meets the requirements of this section in accordance with the "Procurement Code", articles 101 to 112 of this title.
- (II) The term of the contract is one year. Before the contract expires, the committee shall evaluate whether the nonprofit entity and the contract are reasonably meeting the requirements of this section, including objective and quantitative evaluations, whenever possible, of the satisfaction of program participants, the program's success in obtaining disability benefits for program participants, the program's effectiveness at helping program participants obtain jobs, and improvements in the quality of life of program participants. The committee shall include the evaluation criteria in the contract.
- (III) The committee may renew the contract annually for up to five years. After five years, the committee shall reopen the contract to a competitive bid process.
 - (b) The committee shall not award the contract unless the proposal includes:

- (I) A system for evaluating whether a person with a disability is reasonably able to navigate the application process to obtain disability benefits, health care, and employment;
 - (II) A system for prioritizing the need of applicants based upon the evaluations;
- (III) A plan for assisting persons with disabilities in navigating the processes of obtaining and retaining disability benefits, health care, and employment;
- (IV) A plan for establishment of working relationships with state agencies, county departments of human services, health care providers, the United States social security administration, and the business community;
 - (V) A policy of preferential hiring of persons with disabilities;
 - (VI) Reasonable standards for accounting control of expenditures;
 - (VII) Metrics to evaluate the program's quality and cost-effectiveness; AND
- (VIII) Effective July 1, $\frac{2016}{2020}$, the ability to serve persons with disabilities statewide. and
- (IX) A plan for serving persons with disabilities statewide within five years. This subparagraph (IX) is repealed, effective July 1, 2016.
- (c) The committee shall not discriminate against a contracting entity for advocacy concerning persons with disabilities.
- (3) The entity awarded a contract under this section shall make quarterly reports of expenditures to the department of personnel, which shall make the reports available to the committee. The committee shall include in the contract a method and format for making the reports.
- **24-30-2204.5. Program to investigate, fund, and pilot projects or programs to benefit persons with disabilities.** (1) The committee shall accept and review proposals to fund projects or programs that study or pilot new and innovative ideas that will lead to an improved quality of life or increased independence for persons with disabilities. Proposals may be accepted throughout the year, and grants or loans may be made by the committee at its regular meetings. The disability investigational and pilot support fund created in section 24-30-2205.5 shall be the sole source to fund any grants or loans made pursuant to this section.
 - (2) To be eligible for funding pursuant to this section, a project or program must:
- (a) (1) Demonstrate a capability to be self-sustaining or otherwise be able to develop long-term independent funding; and
- (II) (b) Have a governing body or board that is composed of persons with a demonstrated commitment to improving the lives of persons with disabilities and have a majority be persons with disabilities or family members of persons with disabilities. or

- (b) Be the license plate auction group established in section 42-1-403, C.R.S.
- 24-30-2205. Disability-benefit support fund. The disability-benefit support fund is hereby created in the state treasury. The moneys in the fund consist of amounts transferred to the fund under section 42-1-407, C.R.S., or transferred to the fund under section 24-30-2203 (5). The committee shall use the moneys in the fund to implement this part 22; except that the committee may direct the state treasurer to transfer moneys in the fund to the registration number fund created in section 42-1-407, C.R.S., to fund the implementation of part 4 of article 1 of title 42, C.R.S. The committee shall not use more than five percent of the money in the fund to administer this part 22. The state treasurer shall credit all interest earned on the investment of moneys in the fund to the fund. At the end of each fiscal year, the moneys in the fund, including income earned from investment, remain in the fund. The general assembly shall appropriate the moneys in the fund to the department of personnel or governor's office to implement this part 22.
- **24-30-2205.5. Disability support fund.** (1) There is hereby created in the state treasury the disability investigational and pilot support fund, referred to in this section as the "fund", that WHICH shall consist of moneys MONEY transferred to the fund pursuant to IN ACCORDANCE WITH section 25.5-5-308 (8), C.R.S., FROM THE SALE OF REGISTRATION NUMBERS UNDER THIS PART 22, any moneys MONEY that may be appropriated to the fund by the general assembly, and any gifts, grants, or donations received by the department of personnel for the purpose of implementing this section PART 22.
- (2) The moneys Money in the fund are is subject to annual appropriation by the general assembly for the direct and indirect costs associated with the implementation of the pilot program THIS PART 22. Any moneys Money in the fund not expended for the purpose of this section may be invested by the state treasurer as provided by law. All interest and income derived from the investment and deposit of moneys Money in the fund must be credited to the fund. Any unexpended and unencumbered moneys Money remaining in the fund at the end of a fiscal year must remain in the fund FOR USE AS PROVIDED IN THIS PART 22 and shall not be credited or transferred to the general fund or another fund. If this section is repealed, prior to its repeal, all unexpended and unencumbered moneys Money remaining in the fund must be transferred to the general fund.
- (3) Any money used to implement additional license plate options shall not be transferred to the department of revenue. The committee or contract entity shall transfer the money directly to the division of correctional industries.
- (4) The committee shall prioritize funding for the implementation of section 24-30-2204 before funding for the implementation of section 24-30-2204.5.
- **24-30-2206.** [Formerly 42-1-402] License to buy and sell selected registration numbers for license plates. (1) The state or a person may sell, and the state or a person may purchase, the exclusive right to use a registration number selected by the group COMMITTEE under section 42-1-404, 24-30-2208 for the purpose of registering a vehicle under article 3 of this title 42, C.R.S.

- (2) The right to use a registration number is a license, the use of which is subject to compliance with this part 4 PART 22. The duration of the license is determined by the group COMMITTEE.
- 24-30-2207. [Formerly 42-1-403] License plate auction group duties and powers. (1) The license plate auction group is hereby created within the office of the governor:
 - (2) The group consists of eleven members, appointed as follows:
- (a) One member who is appointed by the executive director of the department of revenue and who is not a member of the Colorado advisory council for persons with disabilities created in section 24-45.5-103, C.R.S.;
- (b) One member who is appointed by the governor to represent persons with disabilities and who is not a member of the Colorado advisory council for persons with disabilities;
- (e) One member appointed by the president of the senate to represent persons with disabilities;
- (d) One member appointed by the Colorado advisory council for persons with disabilities;
- (e) One member appointed by the director of the Colorado office of economic development;
 - (f) One member appointed by the chief of the Colorado state patrol;
- (g) One member appointed by the chief information officer appointed under section 24-37.5-103, C.R.S.;
 - (h) Three members appointed by the governor to represent the public; and
- (i) One member appointed by the governor to represent an entity delivering services under section 24-30-2205, C.R.S.
- (3) An act of the group is void unless a majority of the governing body votes for the act.
 - (4) The members of the group serve at the pleasure of the appointing entity.
- (5) (1) The group COMMITTEE has, IN ADDITION TO THE POWERS GRANTED IN SECTION 24-30-2203, the following duties and powers:
 - (a) To adopt and use a seal and to alter the same at its pleasure;
 - (b) To sue and be sued and otherwise assert or defend the group's legal interests;
- (c) To acquire office space, equipment, services, supplies, and insurance necessary to carry out the purposes of this part 4;

- (d) To accept any gifts, grants, and loans of money, property, or other aid from the federal government, the state, any state agency, or any other source if the group complies with this part 4 and part 13 of article 75 of this title;
- (e) To have and exercise all rights and powers necessary or incidental to, or implied from, the specific powers granted in this part 4;
 - (f) (b) To fix the time and place at which meetings may be held;
 - (g) To elect a member as executive director of the group and other officers;
 - (h) To hire employees and professional advisers as needed;
- (i) (c) To authorize an auctioneer or other seller of a registration number to retain a commission of no more than twenty percent of the sale price REASONABLE COMMISSION AS DETERMINED BY THE COMMITTEE;
 - (i) (d) To make business decisions to implement this part 4 PART 22;
- (k) (e) To create incentives for holders to turn in currently issued registration numbers for auction if any actual costs are reimbursed to the state from the sale;
- (1) (f) To authorize and sell license plates made of alternative materials if approved by the department of REVENUE; and
- (m) (g) To certify that a portion of the purchase price of a registration number is a charitable donation because it exceeds the market value of the registration number if the group reimburses the general fund for any tax credit authorized under section 39-22-535, C.R.S., from the sale. To sell the right to use additional license plate options, such as historically issued backgrounds, for a fee if the option is approved by the department of revenue and the Colorado state patrol.
 - (6) The attorney general is the legal counsel for the group.
- (2) The department of public safety may prohibit any action of the committee, or its agents, that concerns the sale of license plates or registration numbers if the decision would affect the policy of the state of Colorado as it relates to the use or display of license plates or registration numbers.
- **24-30-2208.** [Formerly 42-1-404] Sale of registration numbers. (1) The group COMMITTEE shall raise money by auctioning SELLING to a buyer the right to use valuable letter and number combinations for a registration number. The COMMITTEE SHALL AUCTION REGISTRATION NUMBERS THAT ARE LIKELY TO BE WORTH SUBSTANTIALLY MORE THAN THE AVERAGE VALUE OF A REGISTRATION NUMBER.
- (2) (a) The group COMMITTEE shall study the market and determine which registration numbers are the most valuable, including both the types of plates currently issued and any type of plate that has been historically issued. Based on the

study, the group COMMITTEE shall select the most valuable registration numbers and request the department of Revenue to verify whether plates with the registration numbers are currently issued. The group shall not send the request to the department more than once every six months. The COMMITTEE AND THE DEPARTMENT OF REVENUE SHALL ENTER INTO AN AGREEMENT ESTABLISHING A PROCESS FOR REQUESTING REGISTRATION NUMBERS THAT SPECIFIES THE FREQUENCY OF THESE REQUESTS.

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- (b) Upon receiving the group's COMMITTEE'S request, the department OF REVENUE shall verify whether the plates are currently issued. If the plate is not currently issued, the department shall reserve the registration number until the group COMMITTEE notifies the department to release the registration number.
- (c) If a registration number is not currently issued, the group COMMITTEE may auction SELL the right to use the registration number in a manner calculated to bring the highest price; except that the department OF REVENUE may deny the sale or use of a registration number that is offensive or inappropriate.
- **24-30-2209.** [Formerly 42-1-405] Creation of a private market for registration numbers fee. (1) The group COMMITTEE shall raise money by creating a market, which may include an online auction site, for registration numbers using methods that are commercially reasonable, account for expenditures, and ensure the collection of the state's approval and transfer royalty.
- (2) The royalty for the state's approval and transfer of the right to use a registration number is twenty-five percent of the sale price of the transfer. At the time of sale, the purchaser shall pay the royalty to the group COMMITTEE. This payment is not in lieu of the normal registration fees or specific ownership tax.
- (3) A person shall not sell a registration number and the department OF REVENUE shall not assign a registration number as a result of the right to use the number being sold to a vehicle unless the registration number was sold using the market created by the group COMMITTEE.
- **24-30-2210.** [Formerly 42-1-406] Administration. (1) The group COMMITTEE shall notify the department of Revenue when the right to use a registration number has been sold and the group COMMITTEE has collected the state's sale proceeds or approval and transfer royalty. Upon receiving the notice, the department of Revenue shall create a record in the Colorado state titling and registration system, created in section 42-1-211, C.R.S., containing the name of the buyer, the vehicle identification number, if applicable, and the corresponding registration number.
- (2) If the registration number consists of a combination of letters and numbers that is not within the normal format of license plate currently produced for the department of Revenue, the department of Revenue shall issue the plates as personalized plates under section 42-3-211, C.R.S.; except that, notwithstanding section 42-3-211, C.R.S., the auction group COMMITTEE may sell, and the buyer or any subsequent buyer may use:
 - (a) A registration number or letter of one position; or

- (b) Any symbol on the standard American keyboard or approved by the group COMMITTEE.
- (3) The group COMMITTEE shall transfer the moneys MONEY collected under this part 4 PART 22 to the state treasurer, who shall credit them THE MONEY to the registration number fund created in section 42-1-407 24-30-2205.5.
- (4) The group COMMITTEE may contract with one or more public or private entities to implement this part 4 PART 22.
- (5) Any moneys money received by the group COMMITTEE FROM THE SALE OF REGISTRATION NUMBERS shall be deposited in the registration number fund.
- **24-30-2211.** [Formerly 24-30-2206] Implementation. (1) Except as provided for in subsection (2) of this section, the general assembly does not intend to require the department of personnel to expend moneys MONEY to implement this part 22. Notwithstanding any other section of this part 22, the department of personnel and the committee need not implement this part 22 until the disability-benefit support fund contains enough money to implement this part 22.
- (2) The department of personnel shall begin implementation of section 24-30-2204.5 at such time as the disability investigational and pilot support fund contains sufficient funds for implementation, as determined by the committee.
- (3) The committee shall contract with an entity to sell registration numbers and additional options by delegating the committee's authority concerning these sales in accordance with sections 24-30-2206 to 24-30-2210. The committee shall retain oversight of the contract entity.
- **24-30-2212.** [Formerly 24-30-2207] Sunset review repeal of part. (1) This part 22 is repealed, effective September 1, 2021.
- (2) Prior to such repeal, the department of regulatory agencies shall review the assistance program for disability benefits as provided for in section 24-34-104.
- **24-30-2213.** Administration transfers repeal. (1) At least sixty days but not more than ninety days following the effective date of this section, the treasurer shall transfer to the fund all unexpended and unencumbered money in the registration number fund created by section 42-1-407, C.R.S., before its repeal in 2016, as this fund existed before the effective date of this section.
- (2) (a) Notwithstanding the repeal of part 4 of article 1 of title 42, C.R.S., the registration number fund and the license plate auction group created in section 42-1-403, C.R.S., before its repeal in 2016, continue in existence for sixty days after the effective date of this section to wind up affairs and make or facilitate the transfers required by this section.
- (b) Any registration numbers reserved by the licence plate auction group before the effective date of this section continue to be reserved by the committee for the purposes of this part 22.

- (c) WITHIN SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE LICENSE PLATE AUCTION GROUP SHALL TRANSFER ALL RECORDS, PROPERTY, AND INFORMATION TO THE COMMITTEE.
- (3) THE DEPARTMENT OF REVENUE SHALL ASSIST THE LICENSE PLATE AUCTION GROUP IN IMPLEMENTING THIS SECTION.
 - (4) This section is repealed, effective July 1, 2017.
- **SECTION 2.** Repeal of relocated and nonrelocated provisions in this act. In Colorado Revised Statutes, repeal part 4 of article 1 of title 42; except that sections 42-1-401 and 42-1-407 are not relocated.
- **SECTION 3.** In Colorado Revised Statutes, 25-1-801, **amend** (5) (c) (II) (A) as follows:
- **25-1-801.** Patient records in custody of health care facility definitions. (5) As used in this part 8, unless the context otherwise requires:
 - (c) (II) Notwithstanding any other provision of this part 8:
- (A) If a patient record is requested by a third-party entity THAT IS PERFORMING DUTIES under the "Laura Hershey Disability-Benefit DISABILITY Support Act", part 22 of article 30 of title 24, C.R.S., the third party may obtain one free copy of the record for the application process or for an appeal or reapplication when required by the disability benefit administrator;
 - **SECTION 4.** In Colorado Revised Statutes, 42-3-211, **amend** (3) (a) as follows:
- **42-3-211. Issuance of personalized plates authorized.** (3) (a) Personalized license plates shall MUST be the same color and design as regular motor vehicle license plates, shall MUST consist of any combination of numbers or letters not exceeding seven positions and not less than two positions except as otherwise provided in section 42-1-406 (2) 24-30-2210, C.R.S., and shall MUST not conflict with existing passenger, commercial, trailer, motorcycle, or other special license plates series; except that personalized license plates bearing the words "street rod" shall be of a design determined by the executive director of the department, which design shall be different from those used by the state for regular motor vehicle license plates.
- **SECTION 5. Appropriation.** For the 2016-17 state fiscal year, \$42,283 is appropriated to the department of personnel for use by the department for the administrative support of the Colorado disability funding committee. This appropriation is from the disability support fund created in section 24-30-2205.5 (1), C.R.S., and is based on an assumption that the department will require an additional 0.5 FTE. To implement this act, the department may use this appropriation for program expenses.
- **SECTION 6.** Act subject to petition effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 10, 2016, if adjournment sine die is

on May 11, 2016); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2016 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 10, 2016